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Meeting No. 1258
1 October 74

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Top Secret

NATIONAL INDICATIONS CENTER
DRAFT WATCH REPORT
for
WATCH COMMITTEE CONSIDERATION

DIA and DOS review(s) completed.

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BACKUP

III. Southeast Asia

VIETNAM

25X1 4a. In MR 1, attacks by fire and ground engagements continue south of Hue and in the vicinity of Phu Bai. In southern MR 1, the loss of the Gia Vuc Ranger Camp opens the line of communication for the Communist forces from the coast just south of Quang Ngai on through the Central Highlands.

25X1 [REDACTED]

4b. In MR 2, Kontum City has become more vulnerable since Chuong Nghia is the only remaining government position facing Communist forces to the northeast. Also, there is an unconfirmed report of the formation of the E15 Regiment near Dak To which is training for an October attack on Kontum City. [REDACTED]

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4c. In MR 3, ARVN attempts to retake Base 82 south of Ben Cat continue with Government forces still making little headway. The reported target date for the recapture of Base 82 was 30 September. In MR 4, scattered light activity continues. [REDACTED]

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25X1 [REDACTED]

CAMBODIA

5a. Communist forces are continuing to apply pressure in the areas of Kompong Chhnang and Svay Rieng, but government forces appear to have stabilized the situation and there are no indications that any significant military actions will occur in the near future. [REDACTED]

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5b. Student and teacher unrest, the dissatisfaction associated with the new economic reform program, and Lon Non's return have been prime factors in stirring up the political situation. These events have placed the Lon Nol government in its most precarious position in over a year. Some steps have been taken in an attempt to overcome some of these problems, but we have been unable to assess whether they will be effective. The majority of the military and civilian leaders are keeping a wary eye on the activities of Lon Non, who may be pushing for a position in the Socio-Republican Party which could lead to an erosion of Lon Nol's support. Rumors of a coup are again circulating in Phnom Penh and are especially worrisome in view of above mentioned events. There are no signs, however, that any group is preparing to move against the government. Such action does not appear likely at this time in view of the

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NIC DRAFT WATCH REPORT
of the
UNITED STATES INTELLIGENCE BOARD

No. 1258

1 October 1974

1 The Committee concludes that there will be
2 no military attack on the United States or
3 its overseas forces in the near future.
4 Subjects of immediate concern are discussed
5 below.

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7 I. Middle East

8 1. We continue to believe that an outbreak of large-
9 scale Arab-Israeli hostilities is unlikely in the imme-
10 diate future, but there is a greater chance of incidents
11 over the anniversary of the October 1973 war. A series
12 of upcoming events in October -- including Secretary
13 Kissinger's visit to the area, Egyptian Foreign Minister
14 Fahmi's trip to Moscow and the Arab summit conference --
15 could significantly influence the course of events toward
16 peace or war. Each side remains vigilant and, unless
17 diplomatic efforts are successful in the coming months,
18 there is a serious risk that fighting will resume.

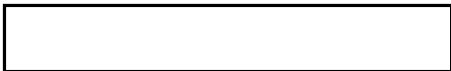
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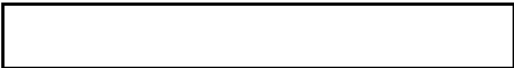
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26 II. USSR-Eastern Europe

27 3. We see no indications of hostile intent in the
28 military activity of the USSR and other Warsaw Pact
29 nations. 

30 III. Southeast Asia

31 4. In South Vietnam, the sharpest military activity
32 will continue to be concentrated in Military Region 1.
33 We expect an increase in Communist activity in northern
34 MR 2 within the next month. 

35 5. In Cambodia, the political situation has worsened,
36 and the Lon Nol government is in a precarious position.
37 We lack firm evidence, however, that the military or
38 any other group is preparing to move against the govern-
39 ment. 



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BACKUP

I. Middle East

ISRAEL-ARAB STATES

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[REDACTED]

[REDACTED]

On the diplomatic front, the Arabs and Israelis are preparing for difficult negotiations during Secretary Kissinger's visit from 9-13 October. Addressing a joint meeting of the Egyptian Parliament and the Arab Socialist Union on 28 September, President Sadat warned that Egypt will not allow a state of no-war, no-peace to prevail again in the Middle East and cautioned the West not to misinterpret Arab patience. Syrian President Asad recently stated that he was pessimistic over peace prospects and believed that Israel's withdrawal from the Golan Heights would not be achieved except by war. Although he avoided the strident tone of Israeli statements of the past few months, Information Minister Yariv commented that he does not think that the next stage in the talks will lead directly to a complete peace. He stated that Israel would be ready to make some territorial concessions, but only in return for positive action on the part of the Arabs which indicated real progress toward a lasting peace. [REDACTED]

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1b. Contrary to earlier reporting that Syria would not renew the mandate permitting UN forces to remain on the Golan Heights after November, the deputy senior Syrian delegate to ISMAC stated that Damascus intends to renew the charter for a second time. He emphasized, however, that Syria will withhold a decision on further renewal in the spring until there are increased indications that progress on a negotiated settlement is being achieved. We have no further evidence at this time to assess the validity of this reporting to determine whether or not it represents a significant change in Syrian policy. [REDACTED]

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1c. Lebanon may be in the hands of a caretaker government for an undetermined period of time following Prime Minister Sulh's resignation on 25 September. Palestinian leaders have played no direct role in the present government transition. The inability of the Lebanese government to enforce security restrictions on fedayeen forces, however, has led to periodic Israeli violations of Lebanese territory. Beirut's failure to protect residents of southern Lebanon from either the fedayeen or the Israelis has stimulated continued criticism of the central government. [REDACTED]

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1d. Egyptian Foreign Minister Fahmi will arrive in Moscow on 14 October. Both sides evidently expect that this visit will pave the way for a further improvement in Soviet-Egyptian relations, perhaps to include new arms shipments and an eventual meeting between Brezhnev and Sadat. In a TV interview last week,

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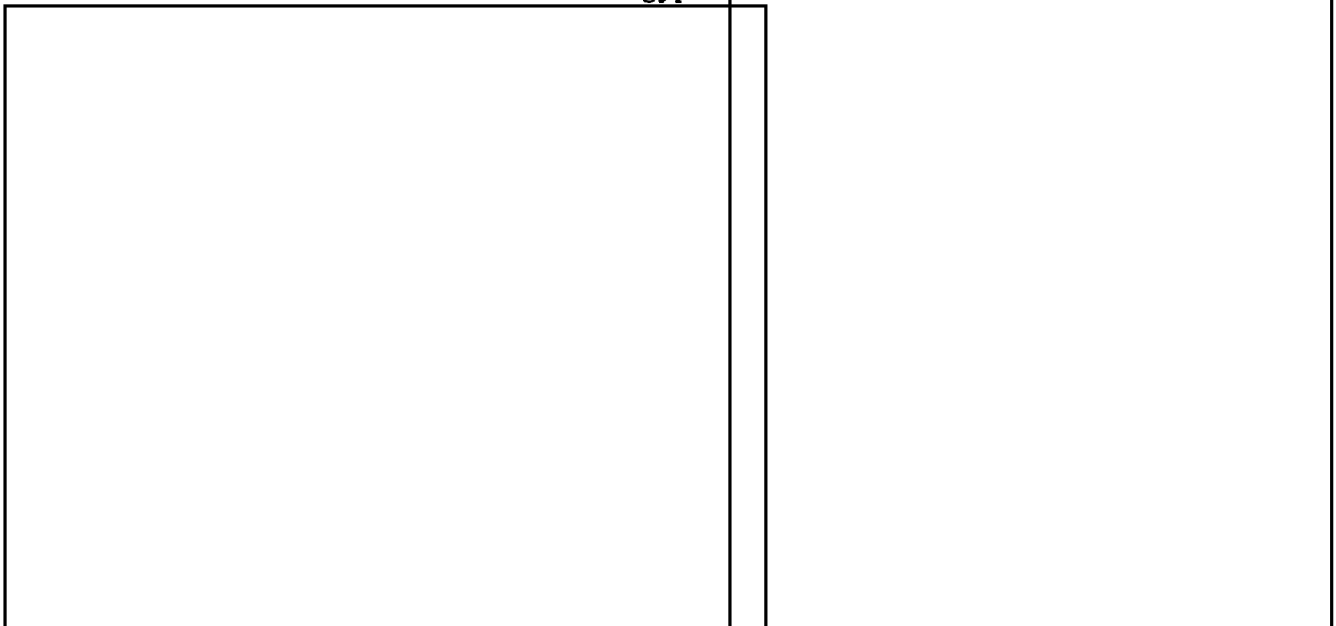
BACKUP

I. Middle East (cont'd)

ISRAEL-ARAB STATES

Sadat stated that he had not reached a new arms agreement with the Soviet Union, but implied that it might be done in connection with the Fahmi visit. The Soviet Charge in Cairo informed the US Ambassador at about the same time that any new arms commitments would have to await an Egyptian-Soviet summit, but he expressed a personal view that the USSR would eventually fulfill all its outstanding arms commitments to Egypt.

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BACKUP

II. USSR-Eastern Europe

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3c. Yugoslavia appears determined that the recent revelations concerning a Soviet-directed "Cominformist" plot will not lead to a serious deterioration in its relations with Moscow. A Yugoslav Foreign Ministry official has stated that there will be no change in relations with the USSR and other Warsaw Pact states. He added that Yugoslavia had not yet decided whether or not to attend the conference of European Communist Parties, now reportedly scheduled to convene in Warsaw from 16-18 October. [REDACTED]

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[REDACTED] the Yugoslavs sought to obtain MIG-23s from the USSR during the recent visit of Soviet Chief of Staff Kulikov. The latter agreed, provided that Yugoslavia would provide port access rights -- a concession which the Yugoslavs once more refused. [REDACTED]

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CYPRUS/GREECE/TURKEY

Denktash and Clerides met on 30 September and agreed to: resume the release of prisoners and detainees; arrange for the return of Greek Cypriot prisoners from Turkey and for the return of stranded Greek and Turkish Cypriots to their own areas; and medical treatment for all in need of it. [REDACTED]

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Perhaps because Clerides had intended to announce his resignation this week unless some conditions were met by the Greek government and Archbishop Makarios, Karamanlis has recommended that "all Cypriots wholeheartedly assist the acting president Mr. Clerides, for since the return of the elected president, Archbishop Makarios, is ruled out while the crisis continues, Mr. Clerides is the only one who can at this moment represent Cyprus and speak on its behalf." The resignation of Clerides would hasten the return of Makarios to Cyprus and the latter's return would stir up old enmities with the possibility of attempted coups by dissident political elements. The announced backing of Clerides by Athens will give him more leverage and authority in dealing with Denktash and increase the possibility of an earlier settlement of the issues. [REDACTED]

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The formation of a new government in Turkey is beset with difficulty. No party has a majority and coalitions are difficult to form because of personal and political differences. Ecevit's effort to form a coalition with the Democratic Party has collapsed, and Ecevit has now asked to be relieved of the task of forming a new government. President Koruturk has asked Suleyman Demirel, leader of the Justice Party, to put together a right-of-center coalition, but his prospects of succeeding are not bright. It appears that Turkey will be in a caretaker status, perhaps for some time; this situation will reduce the effectiveness of the government to deal with domestic problems and possibly affect the settlement of the **Cyprus** issues. [REDACTED]

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